

# State of Connecticut Office of Health Care Access Letter of Intent/Waiver Form Form 2030



All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

# SECTION I. APPLICANT INFORMATION

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	Quiet Corner Medical Imaging, Inc.	
Doing Business As	Quiet Corner Medical Imaging, Inc.	
Name of Parent Corporation	N/A	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	363 Water Street Canterbury, CT 06331	
Applicant type (e.g., profit/non-profit)	For Profit	
Contact person, including title or position	Kelli A. Jones, President	
Contact person's street mailing address	363 Water Street Canterbury, CT 06331	

Contact person's phone #, fax # and	<b>(860) 884-3122</b>
e-mail address	(360) 933-2047
	qcmi@earthlink.net

SECT	TION II. GENERAL APPLICATION INFORMATION					
a.	Proposal/Project Title:					
	PET/CT, Nuclear Medicine and Ultrasound Imaging Diagnostic Testing Facility					
b.	Type of Proposal, please check all that apply:					
$\boxtimes$	Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:					
	☐ Expansion (F, S, Fnc) ☐ Relocation ☐ Service Termination					
	☐ Bed Addition` ☐ Bed Reduction ☐ Change in Ownership/Contro					
$\boxtimes$	Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:  Project expenditure/cost cost greater than \$ 1,000,000					
	⊠ Equipment Acquisition greater than \$ 400,000					
	Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$1,000,000					
c.	Location of proposal (Town including street address):  Lot 1032 Pratt Road, Plainfield, CT 06374					
d.	List all the municipalities this project is intended to serve: Municipalities in Windham, New London and Tolland Counties within a twenty-five (25) mile radius from proposed facility.					
e.	Estimated starting date for the project: May 2006					

f. Type of project: 20, 21, 22 (Fill in the appropriate number(s) from page 7 of this form)

Number of Beds (to be completed if changes are proposed)

8 18	18			
N/A N/A	N	N/A	N/A	N/A
	1	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed

# SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION

- a. Estimated Total Capital Expenditure: \$3,002,478
- b. Please provide the following breakdown as appropriate:

Construction/Renovations (FMV of Leased Space)	\$60,000
Medical Equipment (Purchase)	\$50,000
Imaging Equipment (Purchase)	\$2,725,923
Non-Medical Equipment (Purchase)	N/A
Sales Tax	\$166,555
Delivery & Installation	included
Total Capital Expenditure	\$2,942,478
Fair Market Value of Leased Equipment	
Total Capital Cost	\$3,002478

# Major Medical and/or Imaging equipment acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit
PET/CT Scanner	Discovery LS – 16 Slice	G.E.	1	\$2,322,930.00
Nuclear Medicine Gamma Camera	Millennium – MG	G.E.	1	\$273,875.00
Ultrasound Scanner	Logiq 7 BT02	G.E.	1	\$129,118.00
Radio-Pharmacy ("Hot Lab") Equipment	Multiple	Multiple	Multiple	\$50,000.00

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.

# (See Attachments)

C.	Type of financing or funding source (more than one can be checked):				
$\boxtimes$	Applicant's Equity	$\boxtimes$	Lease Financing		Conventional Loan
	Charitable Contributions		CHEFA Financing		Grant Funding
	Funded Depreciation		Other (specify):		<del></del>

## SECTION IV. PROJECT DESCRIPTION

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

- 1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
- 2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
- 3. Who is the current population served and who is the target population to be served?
- 4. Identify any unmet need and how this project will fulfill that need.
- 5. Are there any similar existing service providers in the proposed geographic area?

- 6. What is the effect of this project on the health care delivery system in the State of Connecticut?
- 7. Who will be responsible for providing the service?
- 8. Who are the payers of this service?

# If requesting a Waiver of a Certificate of Need, please complete Section V.

# SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT

		gible for a waiver from the Certificate of Need process because of the following: ck all that apply)		
	This request is for Replacement Equipment.			
		The original equipment was authorized by the Commission/OHCA in Docket Number:		
		The cost of the equipment is not to exceed \$2,000,000.		
		The cost of the replacement equipment does not exceed the original cost increased by 10% per year.		
Plea	se com	plete the attached affidavit for Section V only.		

Form 2030 Revised 8/02

# **AFFIDAVIT**

Applicant: Quiet Corner Medical Imaging, Inc. Project Title: PET/CT, Nuclear Medicine and Ultrasound Imaging Diagnostic Testing **Facility** President/CEO
(Position – CEO or CFO) of Quiet Corner Medical Imaging, Inc. being duly sworn, depose and state that the information provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that Quiet Corner Medical Imaging, Inc. complies with the (Facility Name) appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes. Subscribed and swørn to before me on\_\_\_\_ Notary Public/Commissioner of Superior Court

My commission expires:

# **Project Type Listing**

Please indicate the number or numbers of types of projects that apply to your request on the line provided on the Letter of Intent Form (Section II, page 2).

# Inpatient

- 1. Cardiac Services
- 2. Hospice
- 3. Maternity
- 4. Med/ Surg.
- Pediatrics
- 6. Rehabilitation Services
- 7. Transplantation Programs
- 8. Trauma Centers
- 9. Behavioral Health (Psychiatric and Substance Abuse Services)
- 10. Other Inpatient

# Outpatient

- 11. Ambulatory Surgery Center
- 12. Birthing Centers
- 13. Oncology Services
- 14. Outpatient Rehabilitation Services
- 15. Paramedics Services
- 16. Primary Care Clinics
- 17. Urgent Care Units
- 18. Behavioral Health (Psychiatric and Substance Amuse Services)
- 19. MRI
- 20. CT Scanner
- 21. PET Scanner
- 22. Other Imaging Services
- 23. Lithotripsy
- 24. Mobile Services
- 25. Other Outpatient
- 26. Central Services Facility

### Non-Clinical

- 27. Facility Development
- 28. Non-Medical Equipment
- 29. Land and Building Acquisitions
- 30. Organizational Structure (Mergers, Acquisitions, Affiliations, and Changes in Ownership)
- 31. Renovations
- 32. Other Non-Clinical

# <u>Project Summary – Quiet Corner Medical Imaging</u> <u>PET/CT, Nuclear Medicine and Ultrasound Imaging Diagnostic Testing Facility</u>

Quiet Corner Medical Imaging, Inc. ("QCMI") is proposing the establishment of a new, technologically advanced, comprehensive diagnostic imaging facility to be located in Plainfield, Connecticut. There are no other similar fixed site facilities in the local service area.

QCMI plans to offer superior quality, readily accessible, affordable diagnostic imaging in a state of the art outpatient diagnostic imaging center. With a flexible schedule, convenient hours and easy highway accessibility, we plan to ease the hardships placed on patients currently requiring such services. The Company plans to acquire and install technologically advanced imaging equipment consisting of one (1) fixed PET/CT scanner, one (1) Nuclear Medicine Gamma Camera and one (1) Ultrasound Scanner, all to be interfaced with an easily accessible Patient Archiving Communications System (PACS) via a Virtual Private Network (VPN) and a Radiological Information System (RIS). By utilizing these fully integrated PACS and RIS systems for patient management, QCMI will enhance the high quality imaging services to be provided.

The proposed PET/CT scanner offers a multitude of advanced technology. The first is its capability to correct for tumor motion caused by a patient's breathing by utilizing Respiratory Gating during the acquisition of a image. This has been proven to positively affect a patient's radiation treatment outcome by improving tumor defined limits. The scanner also will allow for Treatment Volume Verification prior to Radiation Therapy. Currently, there are only 50-55 facilities in the nation offering such services, only two of which are here in Connecticut, at Middlesex Hospital and Greenwich Hospital, both outside of the local service area. Secondly, the PET/CT scanner has 2D. 3D, and 4D capabilities, all of which are proven to enhance diagnostic interpretations of procedures. Another feature of the proposed PET/CT scanner will be its ability to prepare anatomical/geographical data relating to a proposed External Beam Radiotherapy Treatment prior to Dosimetry planning. This particular PET/CT scanner will have the added capability of fusing CT. PET, MR, NM and US images. The Nuclear Medicine Gamma Camera to be purchased has the advanced capability of fusing CT, PET and MR images to add to the overall accuracy of diagnosis for patients. The proposed Ultrasound Scanner has VPI technology which allows the user to render a 3D volume of the organ of interest, prior to scanning, which can be used for additional information after the patient leaves. This has been proven to dramatically reduce repeat imaging associated with Ultrasound procedures and adds to the efficient, cost-effective delivery of healthcare services within the proposed service area. All of the aforementioned capabilities are not currently available by the area Mobile PET, NM or Ultrasound providers. QCMI intends to offer all Medicare and FDA approved PET/CT, Nuclear Medicine and Ultrasound procedures.

A Nuclear Regulatory License will be sought and obtained upon CON approval for the handling of radiopharmaceuticals.

This proposal seeks to enhance technology and provide comprehensive diagnostic imaging services to a target population of approximately 380,412 residents of Windham, Tolland and New London Counties residing within a 25 mile radius of the facility who currently have no access to PET/CT, Nuclear Medicine and Ultrasound procedures in a fixed site, state of the art outpatient facility.

There is a clear need for this service, as patients and providers alike in the local service area have only limited access to mobile PET/CT and related services not employing the same cutting-edge technologies in the proposal. The applicant has employed quantitative determination of patient need for access to technology-based diagnostic imaging services involving an analysis of current utilization rates with current capacity capabilities and anticipated growth in demand related to

growing clinical applications of the proposed technology and demographic trends in the patient population. The current utilization rates at the surrounding area facilities show that they are now operating at capacity for PET/CT, Nuclear Medicine and near capacity for Ultrasound procedures within the proposed service area. These facilities will be hard pressed to effectively handle any projected growth for such procedures within the communities they serve. The projected utilization demand for PET/CT services is expected to grow accordingly with an ever-aging population, newly approved Medicare Reimbursements for even more indications to perform such procedures, as well as an increase in the number of patients requiring such services (i.e. newly diagnosed cancer patients).

There currently are no competing IDTF's within the primary proposed service area (PPSA), or secondary proposed service area (SPSA), offering the combined services of PET/CT, Nuclear Medicine, and Ultrasound imaging in a Non-Hospital based setting. The nearest fixed site PET/CT scanner to this medically underserved area is located outside of QCMI's PPSA and SPSA, located in Middletown, Connecticut at Middlesex Hospital. The nearest Mobile PET/CT imaging centers within the PPSA an SPSA by proximity is William W. Backus Hospital in Norwich (12.3 miles), Windham Hospital in Willimantic (16.5 miles), Day Kimball Hospital in Putnam (19.1 miles), Lawrence Memorial Hospital in New London (24.7 miles) and Johnson Memorial Hospital in Stafford Springs (29.3 miles). The aforementioned Hospitals also offer Nuclear Medicine as well as Ultrasound imaging only in a Hospital-based setting.

IDTF's have been proven to provide quality services and technology at an overall lower cost to patients, all the while in a welcoming, spacious, friendly environment. Upon OHCA approval, this CON proposal will positively impact the health care delivery system in the State of Connecticut by improving the quality of care as measured by accessibility to comprehensive technologically advanced diagnostic imaging services at a substantially lower cost for the residents throughout northeastern Connecticut. This proposal seeks to enhance medical technology within the specified geographical service area and to remedy an existing geographical barrier to access of said services by providing comprehensive technologically advanced diagnostic imaging services at an accessible fixed site location within the proposed service area. The technologies described and outlined earlier will enhance current services being provided, minimize overall operational expenses and decrease the time to diagnosis and treatment for patients.

QCMI will make our services available to all patients appropriately referred by any Physician, possessing a written order defining the type of procedure to be performed. QCMI will utilize an intake form for screening patients to ensure all necessary criteria, as required by Medicare, for the specific indication/procedure are met. QCMI will be responsible for providing the clinical care (imaging services), radiopharmaceutical handling and managerial services. The imaging procedures will be performed by QCMI's qualified staff of nationally accredited, licensed technologists. A local radiology practice has agreed to contract with QCMI to provide the facility with a Medical Director as well as provide onsite and offsite interpretation services. QCMI will be the entity that will bill for all technical services rendered and receive payments for such. The radiology group will be for the professional services rendered and receive payments for such.

QCMI anticipates becoming a participating provider with all payers, including Medicare, Medicaid, Commercial Insurances, Managed Care and self-pay upon approval of the CON. We anticipate a payer mix of 29% Medicare, 3% Medicaid, 61% Commercial, 7% self-pay. QCMI will provide its services to all patients regardless of payment source or ability to pay.